VIACOM
BET NETWORKS
MTV NETWORKS
PARAMOUNT PICTURES

1501 "M" STREET N.W., SUITE 1100, WASHINGTON, DC 20005
T 202 785 7300

November 14, 2007

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TWB204
Washington, DC 20554

Re: Ex Parte Presentation in MB Docket Nos. 07-198, 06-189, 04-207 and CS Docket No. 98-120

Dear Ms. Dortch:

On November 13th and 14th, 2007, the following representatives of Viacom Inc. and its video programming divisions, MTV Networks and BET Networks (collectively, "Viacom"), met separately with Commissioner Jonathan Adelstein and his legal advisor, Rudy Brioche, Commissioner Robert McDowell and his legal advisor, Cristina Chou Pauzè, Commissioner Deborah Taylor Tate and her legal advisor, Amy Blankenship, and Commissioner Michael Copps and his legal advisor, Rick Chessen:

- Byron F. Marchant, Executive Vice President, General Counsel & Chief Administrative Officer, BET Networks (on behalf of BETJ)
- Teri Weiss, Senior Vice President, Production and Development, Nickelodeon Preschool Television (Noggin and Nick Jr.), MTV Networks
- Larry Jones, President, TV Land, MTV Networks
- Martin Clayton, Vice President, Digital Media and Operations Administration, and General Manager, CMT.com, Country Music Television (CMT), MTV Networks
- Lucia Ballas-Traynor, Senior Vice President & General Manager, MTV Tr3s, MTV Networks
- Lisa Sherman, Senior Vice President & General Manager, LOGO, MTV Networks
- DeDe Lea, Executive Vice President, Government Relations, Viacom Inc.
- Keith R. Murphy, Vice President, Government Relations and Regulatory Counsel, Viacom Inc.

During these meetings, Viacom addressed the notice of proposed rulemaking in MB Docket No. 07-198 ("Notice") which seeks comment on the need for regulation in the wholesale video programming market. Among other things, the Notice proposes to ban the practice of "bundling," or packaging, and mandate that video programming be sold at wholesale on a standalone or *a la carte* basis.

Viacom noted that BETJ, CMT, LOGO, Noggin, MTV Tr3s and TV Land are part of a diverse cable programming industry that has developed over the past 25 years largely without government regulation. All Viacom networks are available to distributors on a standalone basis, but those distributors often prefer packages of channels because they include discounts and other incentives. Viacom has no "take-it-or-leave-it" deals and does not require any distributor to accept channels that they do not want. Indeed, each year some distributors choose to carry as few as 1 or 2 of Viacom's more than 20 channels.

If the Commission prohibits packaging and the significant discounts and incentives they allow, then program diversity will suffer and wholesale and retail prices will rise. Networks that rely on advertising revenue, and particularly those that serve niche and diverse audiences like BETJ, CMT, LOGO, Noggin, MTV Tr3s and TV Land, will suffer most. Some of these networks could disappear altogether, undermining the Commission's touchstone goal of promoting program diversity.

Notwithstanding these sound public policy bases for rejecting the wholesale *a la carte* proposal, the Commission lacks jurisdiction to regulate in this area. Viacom noted that no provision of the Communications Act, including the so-called "70/70" rule, authorizes the Commission to regulate wholesale video programming contracts.

Viacom also addressed a widely publicized "multicast must carry" proposal that would authorize "qualified entities" to lease digital multicast channels and demand must-carry status on cable systems. This proposal would result in even more "bundling" of channels under the control of broadcasters and cannot be squared with the Commission's plan to "unbundle" cable programming.

The above-referenced proceedings are not restricted, and notice of these meetings is made pursuant to Section 1.1206 of the Commission's Rules.

Sincerely,

Keith R. Murphy

Keith R. Murphy
Vice President, Government Relations and Regulatory Counsel

cc: Rudy Brioche
Rick Chessen
Amy Blankenship
Cristina Chou Pauzé